

REGULAR QUARTERLY MEETING OF THE BOARD OF DIRECTORS
MOHAVE COUNTY AIRPORT AUTHORITY, INC.
Minutes of April 12, 2016

A Regular Meeting of the Mohave County Airport Authority, Inc. (MCAA), Board of Directors was held at 9:00 a.m. MST on April 12, 2016 in the Banquet Room of the Laughlin Ranch, 1360 William Hardy Drive, Bullhead City, Arizona.

A. CALL TO ORDER

Director John Hastings, President, called the meeting to order at 9:05 a.m.

B. ROLL CALL

Directors Present

John Hastings, Jim Zaborsky, Brad Belhouse, Tom Sockwell, Jena Morga, Steve Willett.

Members Present

Mark Clark, Delman Eastes, Patricia Fordham, John Holladay, Joe Kuenen, Michelle Kuenen, Matt Laughlin, Lisa McCabe, Jennifer Portwood, Lance Ross, Frank Sapp, Phyllis Smith, Ron Smith, Jay Steigelman, and Paul Stubler.

Staff Present

Airport Director Jeremy Keating; Assistant Airport Director Tim Bannon; Wendy Brooks, Administrative Assistant.

Guests Present

Gene Newman, MCAA Auditor; Julie Norton, Reporter for KLBC TV2.

C. PLEDGE OF ALLEGIANCE

Director, John Hastings, President, led in the reciting of the Pledge of Allegiance.

D. APPROVAL OF MINUTES

A motion was made by Director Jim Zaborsky to approve the minutes of the Regular Meeting held on January 12, 2016, seconded by Director Steve Willett; the motion carried unanimously.

E. DISCUSS AND TAKE POSSIBLE ACTION TO APPROVE AN AMENDMENT TO THE BYLAWS UNDER ARTICLES II AND III

Director John Hastings explained that a Bylaws Committee was formed in March to discuss possible changes to the Bylaws.

The committee suggested the following change to clean up the wording of the sentence.

- **ARTICLE II: Membership and Meetings**

2. Election of New Members. The election of new members shall be by open ballot of the existing voting membership of this Corporation during any Regular Quarterly Board Meeting ~~of the Members~~, and one shall be considered elected a member if a majority of the Voting Members actually casting votes, whether in person or by proxy, voted affirmatively for that member.

The following change clarifies that day-to-day management of the Airport is done by the Airport Director, not the Board of Directors.

- **ARTICLE III: Board of Directors**

1. Management. The business and property of the Corporation shall be managed by its Board of Directors. Matters directly relating to the operation of the Airport and its various functions shall be managed by ~~the Board of Directors~~ through the Executive Director and the staff of the Airport Authority.

The Committee could not find the reason why the last sentence in the following section was included in the paragraph. This sentence does hamper the Board in a number of ways. For example, this would prevent someone who is elected to the Bullhead City Council from being on the Board of Directors. However, there is no conflict between being on the Airport Board of Directors and being on the City Council, because the Airport is not a function of the city.

- **ARTICLE III: Board of Directors**

3. Term, Composition and Qualification of Board of Directors. The Board of Directors shall consist of nine (9) members of the Corporation. The term of each Director shall be for a period of three (3) years, and shall expire at the Annual Meeting three (3) years after the Directors election. ~~No individual may serve as a Director of Corporation, who is an elected official of any state, county, or city government.~~

Director John Hastings asked if there were any questions about the Bylaws. Director Jena Morga asked for the definition of a "voting member" in Article II. John explained that voting members are those who have completed the MCAA application to be a member and are voted in, and who have also stayed active by attending meetings.

Director Steve Willett suggested a change in punctuation in Article III. This will change "....after the Directors election" so that it reads "...after the Directors' election" with an apostrophe after Directors.

Director John Hastings reminded everyone that it is up to the Board of Directors to make any changes to the Bylaws. A motion was made by Director Steve Willett to accept the four changes, seconded by Director Jena Morga; the motion carried unanimously.

F. COMMITTEE REPORTS

1. Finance & Planning Committee – Director Brad Belhouse, Treasurer

a. Year to Date Financial report.

The Finance & Planning Committee met on April 7th and covered several topics. Eight months into the Fiscal YTD budget, the Airport is well ahead of budget for Revenue and Net Income. Director Brad Belhouse talked in the past about how a couple of unknown factors could impact the budget in a favorable way. One of those unknown factors was if the Navy would return this year, which they did. This helped increase the fuel revenue. The other uncertainty was whether Via Airlines would be parking their planes overnight here, which they have been doing. This helped increase the overnight parking revenues.

There was a bit of staff turnover during which Airport Director Jeremy Keating wore several hats while waiting for positions to be filled. This turnover allowed the Airport to save money on payroll expenses. All of these factors helped put the Airport \$172,000 ahead of budget YTD on Net Income.

The Operating Cash is \$640,000. Adding the balances of the cash reserves brings the total over \$1,000,000, so the Airport is in good shape from a liquidity perspective.

At the Committee meeting, Director John Hastings took the Committee through the financial forecasting model that forecasts what the financial position is going to be in a couple of years. The cash balance is going to drop because of some of the upcoming Airport projects. The forecasted low point, which will probably be about the 3rd quarter of 2017, will see a balance of about \$400,000. However, this is still a healthy cushion, and is better than what was forecast a few meetings ago, partly because the financial performance has been better, and because some of the bigger projects have been pushed out a little longer, which helps preserve some of the cash flow.

The longer-term forecast looks good. Assuming that the revenues stay as they are, and projects stand as they were budgeted, then the Airport is in good shape.

b. Audit contract for FY2016

Gene Newman's proposed Audit contract for MCAA is the same cost as last year, in spite of the increase in requirements needed from the Accounting and the Audit perspective. It is the Finance Committee's suggestion that the Board approve the acceptance of Mr. Newman's proposal for the FY 16 Audit. Director Brad Belhouse motioned to adopt the proposal offered by Mr. Newman, seconded by Director Jim Zaborsky; the motion carried unanimously.

c. Airport Planning and Environmental Services Request for Qualifications (RFQ)

The Airport advertised for an Airport planning consultant in December 2015. The subcommittee of the Finance committee reviewed the two proposals that were received. The committee felt comfortable retaining Coffman & Associates due to their experience and recommends that the Airport Director negotiate a contract with Coffman and Associates. Director Brad Belhouse motioned to retain Coffman and Associates, seconded by Director Jim Zaborsky; motion carried unanimously.

d. FAA Current Projects in Progress

- AIP 46 – Runway & Taxiway Extension Construction (Phase 1)

Phase I is pre-work for the runway extension. This project continues with two components. Phase 1A is expected to be completed this month or in May. Phase 1B is expected to be completed in June. The project is on budget and on schedule.

e. FAA Projects awaiting grant funding

- Runway & Taxiway Extension Construction (Phase 2)

Phase 2 is the actual paving of the runway extension. It will most likely be funded by September. Planning is being done to try to minimize the disruption to the charter services. However, this project will require a runway closure from about Dec. 6th to Dec. 25th.

f. Other Airport Development/Improvements

- 1) Landmark trailer relocation – In progress, and will probably be complete by the next Board meeting in July.
- 2) Acquisition of State Land – The environmental hurdles that are associated with the State Land acquisition have been cleared. A meeting is being planned to continue discussions with State Land. It is important to get the process started now because it is a long and slow process to acquire land.
- 3) ARFF Truck Rehabilitation
This project is expected to begin mid-April and will result in having a quality 2nd functioning fire truck. A second truck is not a requirement, but will be helpful from a safety perspective.
- 4) Terminal Emergency Power Upgrade – Expected to begin early May. This enables all systems and services in the terminal to function when power is out.
- 5) Security upgrades to Air Traffic Control Tower – This is in the design stage and will get started later this year.

2. Real Estate Committee – Director Jim Zaborsky, Vice President

a. ParkWest Development Status Report

The Committee met on April 7th. Charlie Boyd from ParkWest was present at the meeting and ParkWest hopes to have more information by the next Board meeting.

b. Environmental Cleanup

This is an ongoing cleanup for two empty pads at the Airport Center. One pad is already clean. The Airport has been in discussion with ADEQ about getting the two remaining wells on the other pad closed. Airport Director Jeremy Keating continues to work with ADEQ and the Airport's environmental consultant on the closures.

3. Air Service Development & Marketing Committee – Director John Hastings, President

a. Air Service update

The Committee met on April 7th and Director John Hastings shared that he is still having conversations with a major carrier regarding scheduled air service. John had anticipated knowing more information by mid-March, but they are still working on it.

b. Small Community Air Service Development Program

The Airport had a SCASDP grant in 2008 but was unable to use it because there wasn't an airline that would agree to provide scheduled air service. The Airport made an application for this grant last year but did not win an award. This year the US DOT has accelerated the application schedule, and the 30-day grant application window was opened in April. The application is being written with updates to the economic impact and traffic studies, and the application will be submitted by the May 2nd deadline. It is not known when the results of the applications will be released, but we will probably know by the next Board meeting in July.

G. AIRPORT DIRECTOR REPORT – Jeremy Keating, Airport Director

1. US Navy training operations have ended

This year the Navy provided a really beautiful plaque to the Airport, thanking the Airport staff for doing such a nice job for the Navy. The plaque was available for viewing after the meeting.

2. Operational Activity Report – Tim Bannon, Assistant Airport Director

Statistics for this report are through the end of March.

- a. Commercial landings are up 2% from last year.
- b. Enplanements show a 5% drop from last year.
- c. Jet A fuel is down 11% from last year.
- d. Airport Operations (landings and take-offs) are down 20% from last year's 3-month period because the Navy stayed longer last year. The Navy was here only two months this year and they left in March instead of April.

MCAA General Member Joe Kuenen had a question regarding the Canadian flights that are booked through the casinos. Director Brad Belhouse responded that there were fewer Alberta and Manitoba, Canadian flights to the Airport this year. With the change in the Canadian dollar, Harrah's may be increasing the number of flights from Canada this season. There was a full flight from Canada last week. About 90% of the Harrah's Sun Country seats are comp seats and the other seats can be purchased by the general public. In the past there was no need do

any advertising for the "unfilled" seats because Harrah's was able to fill the seats from their database of customers, but they might advertise more in the future.

Since the meeting was videotaped by TV2, Director Jim Zaborsky wanted to make a statement about a joke that was made earlier. Jim emphasized that the Directors of the MCAA Board do NOT receive anything for being on the Board. They are strictly volunteers.

H. PRESIDENT'S REPORT – Director John Hastings, President

After the Regular Board meeting, the Annual General Membership meeting will be held. The terms of three Directors expire this quarter. Those Directors are John Hastings, Brad Belhouse, and Tom Sockwell. Tom Sockwell has decided not to run again. John Hastings and Brad Belhouse are seeking re-election. Elections for the Director seats will be held immediately following the Regular MCAA meeting today.

President John Hastings thanked Tom Sockwell for his work as a Director. Tom has been a friend of the Airport for a long time, from the time that he was on the Mohave County Board of Supervisors and on the Mohave County Water Authority. Tom stepped in to take over a vacant Director position. Tom also stepped in to be the Finance Committee Chairman when the former Committee Chairman moved out of the area.

I. NEXT REGULAR BOARD MEETING

The next Regular Board Meeting will be held at 9:00 a.m. (MST) on Tuesday, July 12, 2016, at Laughlin Ranch.

J. ADJOURN REGULAR BOARD MEETING

Director Steve Willett motioned to adjourn the meeting. Director Jim Zaborsky seconded; the motion carried unanimously. The meeting adjourned at 9:45 a.m.

SIGNED: /s/ Lloyd Shires, Secretary



7/12/16

(Date signed)